

Town of Siler City

Economic Development Incentive Policy

WHEREAS, the Town of Siler City Board of Commissioners feels that it is the best interest for Siler City to provide economic development incentive grants to new and expanding businesses and industries within the Town of Siler City's Corporate Limits pursuant to authority granted by NCGS §158-7.1 and interpreted by the NC Supreme Court in Maready v. City of Winston Salem, 342 N.C. 708 (1996) and;

WHEREAS, economic development incentive grants to new and expanding businesses and industries are based on expanding the property tax base and job creation as determined by the Town Board of Commissioners, and;

WHEREAS, the Siler City Board of Commissioners hereby establishes the following Economic Development Incentive Plan:

1. There is no right or entitlement to economic development incentive grants. All such grants shall be made at the discretion of the Siler City Board of Commissioners;
2. The business or industry seeking an economic development incentive grant must first submit a letter to the Town Manager requesting an economic development incentive grant. The written statement must include the following information:
 - a. Estimated property tax value increase;
 - b. Explanation of what products or service will be produced at the facility;
 - c. Number of jobs to be created, the average weekly wage to be paid, and benefits to be provided for these jobs;
 - d. Estimated schedule for completion of construction; and
 - e. A preliminary site plan of the proposed facility;
3. New businesses and industries shall submit a certification that the company would not make the investment in Siler City without the Town's assistance;
4. Development projects must not have started construction prior to Town Board consideration of the economic development incentive grant;
5. At a time agreeable to the business or industry, given its confidentiality concerns, a public notice and a public hearing regarding the proposed grant will be given/held;
6. The business or industry must enter into a binding joint economic development agreement with the Town (including being subject to any reporting or repayment (claw back provision) requirements contained herein);

7. The business or industry will provide periodic verification of its compliance with the requirements to which it has agreed;
8. New or expanding businesses or industries may qualify to receive an economic development incentive grant based upon the actual value, schedule and payment of local property taxes for a period of up to five tax years;
9. The Town will require the business or industry to “pay in full” annually total property taxes due (If property taxes are not paid prior to January 5th, then agreement is void);
10. If the business or industry meets the specific criteria as outlined in a formal agreement, then an amount determined by multiplying the property tax payment paid by the business or industry by the percentage figure derived from the “Investment and Job Creation Chart” may be granted to the business or industry for five consecutive tax years in the form of an economic development incentive grant;
11. A business or industry shall be defined as any company that engages in manufacturing, assembling, fabrication, processing, warehousing, distribution, data processing, software development, central administrative office, telecommunication, research and development facilities, biotechnology, information technology, corporate headquarters, or any other business or industry as allowed by NCGS §158-7.1 at the discretion of the Town Board of Commissioners;
12. Retail space or general commercial facilities shall be excluded from the definition of business or industry.

Investment and Job Creation Chart

New or Expansion Amount	0 – 39 Jobs	40 - 74 Jobs	75 - 99 Jobs	100 Jobs and over
\$500,000 - \$2,499,999.99	55%	60%	65%	70%
\$2,500,000 - \$7,499,999.99	60%	65%	70%	75%
\$7,500,000 and up	65%	70%	75%	80%

- * Investment dollar amount shall be determined by the increase in assessed value of real property.
- * Number of jobs shall be determined by counting each employee that averages 100% and above the average weekly wage for Chatham County during a calendar year.
- * Average weekly wage for Chatham County shall be determined by the most recent quarterly report for Chatham County provided by the State of North Carolina.
- * Average weekly wage for employees of the business or industry shall be determined by the payroll data of the business or industry.

WHEREAS, the Siler City Board of Commissioners reserve the right to consider each project individually and to adjust the incentive package based on current conditions or circumstances.

NOW THEREFORE BE IT RESOLVED, that this Economic Development Incentive Policy may be offered to new and expanding industries within the Siler City Corporate Limits that meet the above qualifications and are willing to sign an incentive agreement which describes the responsibilities and obligations of all parties.

In a motion made by Mayor Pro Tem John Grimes, and seconded by Commissioner Larry Cheek, the Town of Siler City Economic Development Incentive Policy was adopted by the following vote 5-0.

Ayes: Commissioner Helen Buckner, Commissioner Larry Cheek, Mayor Pro Tem John Grimes, Commissioner Tony Siler, and Commissioner Guy D. Smith

Nays: None

Adopted on the 7th Day of May, 2007.

Charles L. Turner, Mayor

ATTEST:

Karen C. Alman, Town Clerk